

Issue three, winter 2015

## Have your say on new accounting and reporting guidance

**The Charity Commission for Northern Ireland has opened a public consultation on its draft accounting and reporting guidance - and is calling on interested parties to share their views.**

The Charities (Accounts and Reports) Regulations, which will impact on all registered charities in Northern Ireland, commenced on 1 January 2016.

To support charities in understanding their duties under the new regulations, the Commission has produced a suite of draft accounting and reporting guidance for registered charities.

This guidance, alongside new Directions which independent examiners must follow when carrying out a review of charity accounts, are the focus of a public consultation, with the Commission seeking views and comments on the draft documents and Directions.

Myles McKeown, the Commission's Head of Compliance and Enquiries, said: "Not only is it compulsory for registered charities to report annually to the Commission but doing so will provide a new way for charities to demonstrate their work in an open and accountable manner.

"This guidance will be a vital resource for those charities, helping them to understand and comply with the new regulations.

"You can support us in producing final guidance which is clear, accessible and comprehensive by taking part in our



public consultation and sharing your views on the draft guidance."

The full annual reporting regulations, produced by the Department for Social Development, marked the beginning of phase two of annual reporting for registered charities in Northern Ireland.

Under phase two, all registered charities with financial years beginning on or after 1 January 2016, or their registration date, if later, are under a legal duty to comply with the new regulations.

Phase one - interim reporting, which must be followed by charities registered with the Commission and with a full financial year beginning before 1 January 2016 - will remain in place for a transitional period. See the guidance for information on which applies to you.

For more information on the consultation visit [www.charitycommissionni.org.uk](http://www.charitycommissionni.org.uk)

### **Annual reporting top tip**

Prepare - plan for your annual reporting in advance to ensure you have all the information you need to hand.

## Charities and personal data

In today's knowledge rich economy, information about a charity's donors, members and beneficiaries can be a valuable asset, providing a database of contacts and supporters.

However, as with any asset held, it is important that personal data is managed correctly and in accordance with the law.

Last year, and following a number of media reports on data sharing in the UK charity sector, the Information Commissioner's Office (ICO) launched an investigation to find out what had happened and if the law had been broken. If the law has been broken, it warned, the ICO will act.

In his blog, Information Commissioner Christopher Graham highlighted that rules relating to data protection and privacy and electronic communications apply to all who are processing data, whether businesses or charities.

Mr Graham went on to highlight the ICO powers where the law has been broken, which include the power to issue civil monetary penalties of up to £500,000 where there have been serious breaches of the Data Protection Act.

If your charity processes personal data, including holding contact information for current and previous donors, it is vital you understand and are aware of your data handling responsibilities.

The ICO has produced a wide range of guidance, available on the ICO website [www.ico.org.uk](http://www.ico.org.uk), to assist charities in understanding their data handling obligations.

Here are the ICO's top five data protection tips for small and medium sized charities:



**Tell people what you are doing with their data** - people should know what you are doing with their information and who it will be shared with. This is a legal requirement (as well as established best practice) so it is important you are open and honest with people about how their data will be used.

**Make sure your staff are adequately trained** - new employees must receive data protection training to explain how they should store and handle personal information. Refresher training should be provided at regular intervals for existing staff.

**Use strong passwords** - all passwords should contain upper and lower case letters, a number and ideally a symbol. This will help to keep your information secure from would-be thieves.

**Encrypt all portable devices** - make sure all portable devices, such as memory sticks and laptops, used to store personal information are encrypted.

**Only keep people's information for as long as necessary** - make sure your organisation has established retention periods in place and set up a process for deleting personal information once it is no longer required.

### Charity registration: update

At the beginning of 2016, the Commission had registered around 3,400 charities, each of which has an individual entry on the Northern Ireland *register of charities*.

Each register entry provides information on that charity, including contact information, charitable purposes and public benefit statement.

As well as assessing individual applications, the Commission is also working to process a number of grouped registrations.

Grouped registration may be an option in certain circumstances, for example where branches of an organisation exercise their own control and direction but operate under a common governing document.

One such organisation is the maritime youth organisation, Sea Cadets. There are 11 Sea Cadet groups operating in Northern Ireland, the majority of which are now registered charities.

April Dalzell from Dundonald Sea Cadets commented: "As a new process, we were initially a little daunted by registration.

"However, having worked with the Commission towards a grouped registration alongside using the guidance and support available, we found the process to be more straightforward than we had initially envisaged.

"We, at Dundonald Sea Cadets, are delighted we are now a registered charity, with information on our purposes and activities publicly available on the Northern Ireland *register of charities*."

For more information on grouped registration contact the Commission.



### New *register of charities* launched

The Northern Ireland *register of charities* has been updated, providing a number of new benefits to the public and charities.

Thanks to the update, the public register is now more accessible and dynamic with a number of new features.

It is now easier to find information on individual charities or search for charities based on activities, charitable purposes or location.

Information on a charity or group of charities can also now be exported directly from the register, unlocking valuable data for use in a wide range of applications and research programmes.

As part of the update, and related to annual reporting, each charity's annual accounts, when submitted to the regulator, will now also be displayed on the charity's register entry.

Frances McCandless, Commission Chief Executive, said: "I am delighted our new look *register of charities* is now up and running and I hope, as it grows into the definitive directory of all Northern Ireland charities, it will become a vital checking and research tool for all."

To search the *register of charities* visit [www.charitycommissionni.org.uk](http://www.charitycommissionni.org.uk)

## Guidance and updates

### CRA launches information campaign

The Republic of Ireland's new charity regulator, the Charities Regulatory Authority (CRA), has launched an information campaign to provide practical guidance on the process of charity registration and annual reporting in their jurisdiction.

In conjunction with The Wheel, an umbrella body for the community and voluntary sector, and Volunteer Ireland, the CRA will host 17 information events throughout the Republic.



### Volunteer Now research launched

A new research report into governance of the voluntary and community sector in Northern Ireland was launched at the beginning of December 2015.

VSF Foundation commissioned Volunteer Now Enterprises Ltd to undertake the research, which was focused on the needs and issues facing management committee members/trustees.

The findings are aimed at informing the sector, funders, policy makers and the Commission.

The 'Giving Leadership, Giving time' report is available to read or download from the Volunteer Now website [www.volunteernow.co.uk](http://www.volunteernow.co.uk)

Alternatively, for a hard copy contact [Wenda.Gray@volunteernow.co.uk](mailto:Wenda.Gray@volunteernow.co.uk)

### New guidance for charities

New guidance now available on the Commission's website includes:

- How to raise a concern about a charity
- Dealing with concerns about charities
- Religious designation.



### ATOL regulations

The sale of air travel in the UK is regulated by the ATOL Regulations for the protection of consumers.

The ATOL scheme is administered by the Civil Aviation Authority (CAA) and protects individuals if their travel organiser fails by becoming insolvent or fails to meet its obligations.

The CAA has produced new guidance, available on [www.caa.co.uk](http://www.caa.co.uk), for charities and fundraisers who wish to offer flights or flight-inclusive trips as part of their events or fund raising activities.

### Contact us ...

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